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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of 1998 Biennial Regulatory Review - Review of International Common Carrier Regulations	IB Docket No. 98-118

REPLY COMMENTS OF SBC COMMUNICATIONS, INC.

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August 28, 1998

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Reply Comments of SBC Communications, Inc.

SBC Communications, Inc. ("SBC") respectfully submits its response to the comments filed in the above-referenced docket.

I. Introduction And Summary

The commenting parties overwhelmingly support adopting the Commission's deregulatory measures, particularly: 1) adopting a blanket Section 214 authorization for carriers serving unaffiliated points; 2) eliminating prior review requirements for pro forma assignments and transfers of control; 3) permitting a licensee's Section 214 authorization to cover its wholly-owned subsidiaries; 4) removing non-U.S. licensed submarine cables from the exclusion list; 5) reorganizing Part 63; and 6) increasing the threshold for shareholder notification from 10 percent to 25 percent.

There also is substantial support for extending the blanket Section 214 authorization to non-dominant carriers serving affiliated routes where the affiliate lacks market power. Commenters agree that foreign affiliates lacking market power do not raise competitive concerns

for the Commission. Further, most parties specifically addressing CMRS providers agree that forbearance is warranted for these carriers.

The limited contrary views a few commenters expressed are without merit. MCI, in opposing expansion of the blanket grant, offers nothing to contradict the agency's conclusion that other mechanisms are sufficient to address anticompetitive conduct. The Commission should reject AT&T's request not to extend the blanket grant to affiliated routes where the foreign affiliate has not been found to lack market power and has an equity interest in or by an applicant above 10 percent. The Commission has already determined that foreign investments below 25 percent rarely create anticompetitive concerns. Further, AT&T can raise any specific anticompetitive concerns regarding a foreign equity investment, and the agency, where appropriate, will condition or revoke the authorization.

Contrary to the FBI's assertions, the Commission has legal authority to repeal or modify any regulation issued under the Act, including modifying its Section 214 application requirements. Notwithstanding, the Commission is not proposing to eliminate the requirement that a carrier offering international services in the U.S. obtain Section 214 certification. Rather, carriers operating under a blanket Section 214 authorization, in fact, will have received Commission certification consistent with Section 214. The Executive Branch agencies also will have an opportunity to raise public interest issues with the agency as a result of the post-entry notification procedures the Commission has proposed.

The Commission should reject AT&T's proposal to retain the 10 percent shareholder notification requirement. The Commission's conclusion that non-controlling investments of 25 percent or less very rarely raise any public issues that require Commission scrutiny is well grounded in both economic theory and practical experience. Requiring notification of such

investments by Section 214 applicants is unnecessary and potentially anticompetitive. Likewise, the Commission should reject AT&T's prior notification proposal for the same reasons. AT&T is attempting to impede foreign investment and global alliances that increase competition in the international marketplace.

SBC supports other deregulatory measures proposed by parties in their comments, namely: 1) expanding the blanket Section 214 authorization to affiliated routes where the foreign carrier operates in a WTO member country and has complied with the benchmark condition; 2) extending the blanket authorization to carriers serving affiliated routes solely through the resale of the services of an unaffiliated U.S. carrier; 3) permitting a single authorization to cover wholly-owned subsidiaries and sister-affiliates; 4) allowing all entities using a single Section 214 authorization to file reports as one entity; and 5) allowing carriers to request by letter, on a streamlined basis, International Simple Resale ("ISR") approval to WTO countries that satisfy the benchmark test.

II. Most Parties Overwhelmingly Support The Commission's Deregulatory Proposals.

The record amply supports the Commission's deregulatory measures,[1] particularly the agency's proposals to: 1) adopt a blanket Section 214 authorization for carriers serving unaffiliated points;[2] 2) eliminate prior review requirements for pro forma assignments and

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[1] *1998 Biennial Regulatory Review - Review of International Common Carrier Regulations*, FCC 98-149 (July 14, 1998) ("*NPRM*").

[2] *See* Comments of Ameritech; Comments of Bell Atlantic; Comments of Cable & Wireless; Comments of Competitive Telecommunications Association; Comments of Deutsche Telekom; Comments of Excel, Comments of Iridium North America ("Iridium"); Comments of Personal Communications Industry Association ("PCIA"); Comments of Qwest; and Comments of WorldCom.

transfers of control;[3] 3) permit wholly-owned subsidiaries to provide service pursuant to their parents' Section 214 authorization;[4] 4) remove non-U.S. licensed submarine cables from the exclusion list;[5] 5) reorganize Part 63;[6] and 6) increase the threshold for shareholder notification from 10 percent to 25 percent.[7] Commenters agree that these proposals will eliminate or streamline regulations which are unnecessary and unduly burdensome, thereby significantly reducing market entry delays, promoting competition and clarifying existing regulations.

Despite the overwhelming support for deregulation, a few parties opposed the Commission's deregulatory initiatives. Below, SBC responds to specific oppositions to certain Commission and carrier proposed deregulatory measures.

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[3] *See* Comments of Ameritech at 2; Comments of Bell Atlantic at 4; Comments of Deutsche Telekom at 3; Comments of Excel at 2; Comments of Iridium at 4; Comments of PCIA at 2 fn. 3; Comments of Qwest at 2-3; Comments of SBC at 2; Comments of WorldCom at 2.

[4] *See* Comments of Ameritech at 2; Comments of Bell Atlantic at 4; Comments of Cable & Wireless at 5;

[5] *See* Comments of SBC at 2; Comments of Ameritech at 7-8; Comments of MCI at 6-7; Comments of WorldCom at 4: Comments of FaciliCom International at 2; Comments of Primus at 5; Comments of Tyco Submarine Systems at 2; and Comments of Deutsche Telecom at 3.

[6] *See* Comments of SBC at 2; Comments of GTE at 6; Comments of MCI at 8; and Comments of Deutsche Telecom at 3.

[7] *See* Comments of SBC at 2; Comments of Qwest at 4; and Comments of Deutsche Telecom at 3.

III. The Commission Should Grant Blanket Section 214 Authorizations For Unaffiliated Routes and Affiliated Routes Where The Affiliate Lacks Market Power.

A. Most parties support expanding the blanket Section 214 authorization to carriers providing international services to affiliated points where the affiliate lacks market power.

In response to the Commission's inquiry, many commenting parties addressed extending the Commission's proposed blanket Section 214 authorization to certain affiliated routes.[8] There is tremendous support for extending the blanket authorization to affiliated routes where the Commission has already determined the foreign affiliate lacks market power.[9] The Commission certainly should expand the blanket authorization in this fashion since it has already concluded that these affiliations do not raise competitive issues.

In addition, the record supports expanding the blanket authorization to all routes where a carrier has an affiliate that lacks market power, even those where the Commission has not made that determination formally.[10] As a result of the WTO Agreement, telecommunications markets around the globe are opening to competition. There are and will be an increasing number of new entrants into these markets that clearly lack market power, but have not yet been the subject of a formal Commission market power determination. Entry into the U.S. market by U.S. carriers

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[8] *See* Comments of Bell Atlantic at 2; Comments of Deutsche Telekom at 2; Comments of Qwest at 3; Comments of Comptel at 3; Comments of Cable & Wireless at 4; Comments of PCIA at 13; Comments of SBC at 4; Comments of Primus at 2; Comments of GTE at 2; and Comments of Iridium at 2-3.

[9] *See* Comments of Bell Atlantic at 2; Comments of Qwest at 3; Comments of Cable & Wireless at 4; Comments of PCIA at 13; Comments of SBC at 4; Comments of Primus at 2; and Comments of GTE at 2.

[10] *See* Comments of SBC at 6; Comments of Cable & Wireless at 4; Comments of PCIA generally at 13; and Comments of Iridium at 2-3.

affiliated with such foreign carriers is pro-competitive and should be encouraged, not subject to special regulatory scrutiny invoked by competitors for dilatory purposes.

As the Commission recently recognized, whether a carrier has market power will be clear cut in most cases.[11] This is especially the case given the Commission's "bright-line" presumption of 50 percent market share as defining market power. In any event, the Commission's post-notification and conditioning and revocation procedures are adequate to guard against any potential anticompetitive results.

B. Contrary to the FBI's assertions, adopting a blanket Section 214 authorization is consistent with the Communications Act.

The FBI opposes a blanket Section 214 authorization for any route, claiming that such a proposal is "contrary to law and imprudent."[12] The Commission has legal authority under the Communications Act to streamline or eliminate its Section 214 regulations. A blanket authorization is consistent with the statutory requirement of Section 214 and does not deny the Executive Branch agencies their opportunity "to be heard."

1. Section 161 requires the Commission to eliminate unnecessary regulations to further the public interest.

Section 161 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, requires the Commission to: 1) "review all regulations issued under [the] Act . . . that apply to the operations or activities of any provider of telecommunications service;" 2) determine whether any regulation issued under the Act "is no longer in the public interest as a

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[11] *1998 Biennial Review – Reform of the International Settlements Policy and Associated Filing Requirements*, FCC 98-190, ¶ 23 (Aug. 6, 1998) ("*ISP NPRM*").

[12] Comments of FBI at 3.

result of meaningful economic competition between providers of such service;" and 3) "repeal or modify any regulation it determines to be no longer necessary in the public interest."[13] Congress has mandated the agency amend its Section 214 regulations if it determines they are no longer necessary in the public interest. Contrary to the FBI's claims, the Commission has authority to modify its Section 214 application requirements as proposed in the *NPRM*. To the extent the FBI takes issue with this Congressional directive, the proper forum for redress is the U.S. Congress, not the Commission.

Moreover, the Commission has already exercised its authority to adopt a blanket Section 214 authorization for non-dominant carriers providing domestic services, consistent with its obligations under Section 214.[14] Nothing in the Act prevents the Commission from doing the same in the international context. The Commission's legal authority to adopt a blanket grant is well-established.

2. Contrary to the FBI's claims, carriers operating under a blanket Section 214 authorization would have obtained Commission certification, consistent with Section 214(a).

Contrary to the FBI's assertion, carriers operating under a blanket Section 214 authorization grant would have obtained prior Commission certification, consistent with the Act. The blanket Section 214 grant, as the Commission proposes, would constitute a certification from the agency that it is in the public interest, convenience and necessity for a defined group of carriers (non-dominant) to provide international services between the U.S. and particular points. This blanket grant would not constitute a post-entry certification, as the FBI contends.

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[13] 47 U.S.C. § 161.

[14] 47 C.F.R. § 63.07.

Accordingly, the blanket grant, as proposed, is consistent with the Congressional mandate in Section 214 that "no carrier shall undertake the construction of a new line . . . or engage in transmission over or by means of such . . . line, unless and until there shall first have been obtained from the Commission a certificate."[15]

3. Contrary to the FBI and Secretary of Defense's claims, a blanket Section 214 authorization does not deny the Secretary of Defense and other Executive agencies an opportunity "to be heard."

The Commission's proposed blanket authorization does not deny Executive Branch agencies an opportunity to be heard, as the FBI and Secretary of Defense claim.[16] The Commission's proposals are sensitive to the needs of the sister agencies. Indeed, in the *NPRM* the Commission states that it may "need to review (in consultation with Executive Branch agencies) any given carrier's authorization for national security, law enforcement, foreign policy, and trade concerns."[17] This statement demonstrates that the FCC intends to: 1) notify the Executive agencies that a carrier is operating under the blanket grant and 2) provide these agencies with an opportunity to raise any public interest issues. The Commission made it abundantly clear in the *NPRM* that it will condition or revoke the authorization if necessary to safeguard the public interest. Thus, the blanket authorization leaves firmly intact the opportunity for the Executive agencies to express any public interest concerns to the Commission.[18]

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[15] 47 U.S.C. § 214(a).

[16] *See* Comments of FBI at 4; Comments of DOD at 4.

[17] *NPRM* ¶ 10.

[18] To ease the concerns of the FBI and Secretary of Defense, the Commission could further detail its procedures for conditioning or revoking the blanket authorization.

In addition, the FBI asserts that "post-licensing filings will likely be viewed by carriers more as a purely ministerial advisement of lesser significance -- such, perhaps, that a carrier filing might never be made . . . ."[19] There is no basis to suggest that carriers will not comply conscientiously and fully with the post-notification requirement. The Commission requires post-notification in other contexts[20] and there is no indication that carriers have failed to comply with the notification requirements. Pro-competitive deregulatory efforts must not be thwarted by such unsubstantiated assertions.

In any event, it is highly unlikely that any U.S. carrier operating under the blanket authorization would raise national security, law enforcement, or other public interest concerns. The one example the FBI cites involved a merger between MCI and British Telecom -- a transaction outside the scope of this proceeding, because it concerned a substantial transfer of control of Section 214 authorizations that has and will continue to necessitate a Section 214 application. The FBI does not cite to examples where carriers seeking authorization to provide international services that would be eligible for a blanket authorization raised national security or law enforcement concerns. As the *NPRM* states, the overwhelming majority of Section 214 applications are unopposed, which includes opposition from Executive agencies.[21] This trend should continue. Nonetheless, if any public interest concerns arise, the Commission can adequately address them by conditioning or revoking the authorization.

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[19] *See* Comments of FBI at 6 n.12.

[20] As an example, U.S. carriers acquiring a greater than 25 percent, but non-controlling, interest in a foreign carrier must notify the Commission within 30 days after acquiring the interest. *See* 47 C.F.R. § 63.11.

[21] *NPRM* ¶ 7.

C. The Commission should reject AT&T's request to limit expansion of the blanket Section 214 authorization.

AT&T supports extending blanket authorization to affiliated routes where the foreign affiliate lacks market power. However, AT&T requests that the Commission continue to impose its prior review requirements whenever there is a 10 percent or greater interest in or by a foreign carrier that has not yet been found to lack market power.[22] The Commission should promptly reject this request.

The Commission recently determined in the *Foreign Participation Order*,[23] "a foreign carrier's investment in an authorized carrier will very rarely raise any public interest issues unless it creates an affiliation pursuant to Section 63.18(h)(i) of the Commission's rules."[24] AT&T has offered no facts justifying reconsideration of this decision.[25] Likewise, an equity investment of 25 percent or less in a foreign carrier by a U.S. carrier will very rarely raise any public interest concerns. Thus, there is no justification for adopting a 10 percent equity threshold limiting extension of the blanket grant as AT&T describes.

The bottom-line is pre-entry review simply is not necessary for carriers that very seldom raise competitive concerns. To the contrary, it is a regulatory hurdle that precludes the overwhelming majority of applicants from immediately entering the marketplace and offering

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[22] *See* Comments of AT&T at 8.

[23] *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23891 (1997) ("*Foreign Participation Order*").

[24] *Id.* at 24035-36.

[25] The Commission adopted the 25 percent threshold in the *Foreign Participation Order*. AT&T did not contest that finding in a petition for reconsideration of the Order and, thus, should not be allowed to attack it collaterally in this proceeding.

new and innovative services for consumers. AT&T hangs its hat on the Commission's statement in the *Foreign Participation Order* that it would review foreign investment arrangements under 25 percent that present a significant impact on competition. However, such review does not have to occur pre-entry. To the extent AT&T or any other party believes that a foreign investment in or by a carrier operating under the blanket grant raises public interest concerns, it can notify the Commission and, the agency can review the facts, gather whatever additional information it deems relevant and, if warranted, condition or revoke the authorization. This type of post-entry review is perfectly adequate and appropriate in circumstances in which the Commission has found that the risk of anticompetitive conduct is very small.

There is little public interest benefit to limiting the blanket grant as AT&T requests, because the likelihood that a 10 percent or greater investment by or in a foreign carrier lacking market power could produce anticompetitive results is minute. AT&T's proposal would result in the continued imposition of pre-entry application procedures on carriers that do not raise competitive concerns – an outcome that is anticompetitive and clearly at odds with the deregulatory and procompetitive spirit of the Telecommunications Act of 1996 and the *NPRM*.

D. The Commission should reject MCI's anticompetitive attempts to limit the blanket Section 214 authorization.

MCI objects to expanding the blanket authorization to affiliated routes,[26] yet does not justify its objection. As MCI concedes, the majority of Section 214 applications, even with affiliations, are granted without challenge.[27] MCI does not contradict the Commission's

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[26] *See* Comments of MCI at 4.

[27] *Id.*

conclusion that its post-notification, conditioning and revocation process for the blanket grant would be sufficient to address potential anticompetitive issues. Thus, MCI's claims should be rejected.

MCI also asks the Commission, in effect, to exclude the incumbent local exchange carriers ("ILECs") from its blanket grant.[28] The *NPRM* did not propose to do so, and in any event the Commission has already determined that ILECs, as new entrants into the international marketplace, will not be able to leverage their market position in their local, in-region markets to harm competition in the U.S. international services market.[29] In doing so, the Commission expressly rejected arguments by MCI that additional safeguards should be imposed on ILEC international services.[30] MCI's analogous arguments in this proceeding are equally without merit. Excluding ILECs from the blanket authorization, as MCI proposes, would be discriminatory and anticompetitive. Accordingly, SBC urges the Commission to reject MCI's proposal.

IV. Most Parties Specifically Addressing CMRS Providers Agree That Forbearance From Section 214 Requirements Is Warranted For These Operators.

Most of the parties addressing CMRS providers support forbearance from Section 214 requirements for these operators.[31] CMRS carriers have neither the incentive nor ability to act

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[28] *Id.*

[29] *Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area*, 12 FCC Rcd 15756, 15810 (1997) (stating that BOC interLATA affiliates do not have the ability to raise prices by restricting their output upon entry into the in-region long distance market or soon thereafter).

[30] *Id.* ¶¶ 140, 190.

[31] *See* Comments of GTE at 4; Comments of PCIA at 2, Comments of SBC at 7; Comments of Iridium at 3.

anticompetitively.[32] Competition in the international marketplace is sufficient to ensure that rates and practices are just, reasonable and not unreasonably discriminatory and that consumer interests are protected. Further, commenters agree that the Commission can address any anticompetitive conduct via the Section 208 complaint process.[33]

V. The Commission Should Reject AT&T, MCI And WorldCom's Arguments To Retain The 10 Percent Shareholder Threshold Disclosure For Section 214 Applications.

AT&T, MCI and WorldCom assert that retaining the 10 percent threshold for shareholder notification is necessary to enable the Commission and interested parties to review foreign investments between 10 and 25 percent that may raise competitive issues. SBC disagrees. Foreign carrier investments below 25 percent generally do not raise anticompetitive concerns, a conclusion the Commission recently reached in the *Foreign Participation Order* and affirmed in the *NPRM*.[34] The reality is most of the world's telecommunications markets are opening to competition and have committed to adopting measures to prevent anticompetitive practices. It is highly unlikely that any foreign carrier with less than a 25 percent equity investment could potentially impact competition.[35]

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[32] *See* Comments of GTE at 4; Comments of PCIA at 2, Comments of SBC at 7-8; Comments of Iridium at 3.

[33] *See* Comments of Iridium at 4; and Comments of PCIA at 9.

[34] *Foreign Participation Order*, 12 FCC Rcd ¶ 332-34; *NPRM* ¶ 39.

[35] Since control at any level constitutes an "affiliation" pursuant to its definition under Section 63.18(h) and since all foreign affiliations must be disclosed in a Section 214 application, the Commission's proposal would simply relieve applicants of the obligation to report *non-controlling* interests below 25 percent.

Moreover, not only is it improbable that foreign investments of less than 25 percent could lead to anticompetitive conduct, it is extremely unlikely that any such conduct, if it did occur, could proceed undetected. The Commission's rules require the public filing of operating agreements between U.S. and foreign carriers and prohibit the granting of "special concessions" to U.S. carriers by foreign carriers with market power. Even under the Commission's recent proposals to liberalize its international settlements policy ("ISP") and related filing requirements, operating agreements between U.S. carriers and foreign carriers with market power would have to be filed unless certain pro-competitive conditions were satisfied.[36] More generally, the Commission has stated it will lift reporting requirements and prohibitions on special concessions only if it is able to conclude that doing so does not facilitate anticompetitive conduct by foreign carriers and their U.S. affiliates.[37] Otherwise, the ISP, contract filing, and no special concessions rules will continue to apply to arrangements between U.S. and foreign carriers. These regulations and disclosure requirements substantially eliminate any hypothetical ability on the part of such carriers to implement an anticompetitive strategy that could not be readily detected by market competitors and the Commission.

VI. The Commission Should Not Amend Its Rules To Require Advance Notification For 10 Percent Or Greater Dominant Foreign Carrier Equity Interests In, Or By, U.S. Carriers.

SBC requested modifying the Commission's prior notification rules in its Petition for Reconsideration of the *Foreign Participation Order*,[38] which is still pending before the

[36] ISP *NPRM* ¶¶ 25-27.

[37] ISP *NPRM* ¶¶ 30-31, 39-43.

[38] *See SBC Petition for Reconsideration of the Foreign Participation Order*, IB Docket No. 97-142 (filed Jan. 8, 1998).

Commission. It is most appropriate for the Commission to address Section 63.11 issues in that proceeding. AT&T did not contest the 25 percent threshold finding in that order and should not be allowed to collaterally attack it here.

SBC strongly opposes adopting a prior notification requirement for 10 percent or greater dominant foreign carrier equity interests in, or held by, U.S. carriers. First, as stated in the immediately preceding Section, the Commission has already adopted a 25 percent threshold for foreign carrier equity interests in or by U.S. carriers. There is nothing in the record to support reducing the threshold to 10 percent. Second, the Commission has adequate post-investment mechanisms in place to address competitive issues raised by foreign investments.

As SBC requested in its Petition for Reconsideration of the *Foreign Participation Order*, the Commission should eliminate its Section 63.11 prior review requirements entirely. This requirement competitively disadvantages potential U.S. carrier investors[39] and undermines the development of competition in foreign telecommunications markets that the recent WTO Agreement and the FCC itself are encouraging. The Commission also lacks authority under Section 214 of the Communications Act to regulate a U.S. carrier's foreign country investment; rather, Section 214 gives the agency jurisdiction over communications between foreign countries and the United States. Further, the prior review requirement could increase the workload for the agency. The likely result is that the Commission will waste significant resources ruling on bid

[39] Generally, investors are required to submit "unconditional" bids to acquire an interest in a privatized foreign telecommunications company. In such instances, U.S. carriers could not obtain the necessary prior review from the Commission and would be disadvantaged when compared to competing non-U.S. carriers not subject to Section 63.11.

proposals that ultimately may not be submitted to the foreign carrier (because the U.S. carrier might decide not to pursue the transaction for business reasons).[40]

Any advance notification requirement is anticompetitive, because it creates an additional regulatory hurdle for carriers seeking to consummate their business plans and expand globally. The Commission should not be fooled by AT&T's veiled attempt to delay investment abroad and formation of carrier alliances. Carriers that invest abroad should not be subject to unnecessary rules suggested by AT&T which, interestingly, has chosen not to pursue an investment strategy abroad. Accordingly, SBC urges the Commission to promptly reject AT&T's request and further to eliminate its prior review requirement for U.S. carriers seeking controlling interests in foreign carriers.

VII. The Commission Should Adopt Other Deregulatory Measures Commenters Proposed In This Proceeding.

SBC supports adopting other deregulatory measures commenters proposed. Specifically, SBC supports GTE's request that the Commission's blanket Section 214 authorization include carriers that have affiliates in WTO member countries that have complied with the benchmark conditions.[41] SBC also agrees with GTE that a blanket authorization should be available to carriers serving affiliated routes solely by reselling the services of unaffiliated U.S. carriers.[42] Granting these requests would further streamline the Commission's processes and promote market entry without any substantial risk of anticompetitive conduct. SBC supports GTE's

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[40] A carrier may decide on its own to file a Section 63.11 application for prior review of a proposed acquisition to ensure that its bid is not conditional.

[41] *See* Comments of GTE at 3.

[42] *Id.* at 5.

proposal to allow a single Section 214 authorization to cover wholly-owned subsidiaries and sister-affiliates.[43] Because sister-affiliates and wholly-owned subsidiaries share the same corporate ownership, it is unnecessary to require these entities to obtain separate Section 214 authorizations. SBC supports GTE's proposal to allow all entities operating under the same Section 214 authorization to file reports as a single entity to promote efficiency.[44] Further, SBC supports WorldCom's proposal to allow carriers to file a letter seeking ISR approval to WTO countries that satisfy the benchmark condition, which would be processed on a streamlined basis.[45]

VIII. Conclusion

The record overwhelmingly supports adopting the agency's proposed deregulatory measures. SBC urges the Commission to adopt these initiatives. In addition, the Commission should adopt other deregulatory measures: expansion of the blanket authorization to affiliated routes where the affiliate lacks market power and forbearance from Section 214 requirements for CMRS providers. The Commission should permit a single Section 214 authorization to cover sister-affiliates and wholly-owned subsidiaries, and allow carriers to request by letter, on a streamlined basis, ISR approval to WTO countries that satisfy the benchmark test.

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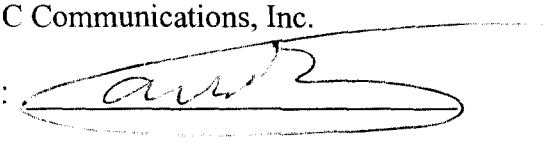
[43] *Id.* at 5.

[44] *Id.*

[45] *See* WorldCom Comments at 6.

Respectfully submitted,

SBC Communications, Inc.

By: 

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